

Public Health Service, HHS

§ 60.58

during the period for which the HEAL loan was made;

(5) Date the school receives the HEAL check or draft and the date it either gives it to the student or returns it to the lender (if the school is not the lender);

(6) Date the school disburses the loan to a student (if the school is the lender);

(7) Date the school signs the loan check or draft (if the school is a copayee);

(8) Amount of tuition, fees and other charges paid by the student to the school for the academic period covered by the loan and the dates of payment;

(9) Photocopy of each HEAL check or draft received by the student;

(10) Documentation of each entrance interview, including the date of the entrance interview and the signature of the borrower indicating that the entrance interview was conducted;

(11) Documentation of the exit interview, including the date of the exit interview and the signature of the borrower indicating that the exit interview was conducted, or documentation of the date that the school mailed exit interview materials to the borrower if the borrower failed to report for the exit interview;

(12) A photocopy made by the school of the borrower's I-151 or I-551, if the borrower is required to possess such identification by the United States, or other documentation, if obtained by the school, to verify citizenship status and Social Security number (e.g., a certified copy of the borrower's birth certificate or a photocopy made by the school of the borrower's original Social Security card or copy issued by the Federal government);

(13) Documentation of the calculations made which compare the financial resources of the applicant with the cost of his or her education at the school;

(14) Copy(s) of the borrower's financial aid transcript(s);

(15) The standard budget used for the student, and documentation to support the basis for any deviations made to the standard budget;

(16) Copies of all correspondence between the school and the borrower or

between the school and the lender or its assignee regarding the loan;

(17) Copy of each form used by the school in connection with the loan; and

(18) Expected postgraduate destination of borrower.

(b) The school must maintain the record for not less than 5 years following the date the student graduates, withdraws or fails to enroll as a full-time student. The school may store the records in microform or computer format.

(c) The school must comply with the Department's biennial audit requirements of section 705 of the Act.

(d) The school must develop and follow written procedures for the receipt, verification of amount, and disbursement of HEAL checks or drafts. These procedures must be maintained in the school's policies and procedures manuals or other general office records.

(Approved by the Office of Management and Budget under control number 0915-0108)

[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 751, Jan. 8, 1987; 57 FR 28799, June 29, 1992]

§ 60.57 Reports.

A school must submit reports to the Secretary at the times and in the manner the Secretary may reasonably prescribe. The school must retain a copy of each report for not less than 5 years following the report's completion, unless otherwise directed by the Secretary. A school must also make available to a HEAL lender or holder, upon the lender's or holder's request, the name, address, postgraduate destination and other reasonable identifying information for each of the school's students who has a HEAL loan.

(Approved by the Office of Management and Budget under control number 0915-0108)

[57 FR 28799, June 29, 1992]

§ 60.58 Federal access to school records.

For the purposes of audit and examination, a HEAL school must provide the Secretary of Health and Human Services, the Comptroller General of the United States, and any of their authorized representatives access to the records that the school is required to keep and to any documents and records

pertinent to the administration of the HEAL Program.

§ 60.59 Records and Federal access after a school is no longer a HEAL school.

In the event a school ceases to participate in the HEAL program, the school (or its successor, in the case of a school which undergoes a change in ownership) must retain all required HEAL records and provide the Secretary of Health and Human Services, the Comptroller General of the United States, and any of their authorized representatives access to them.

§ 60.60 Limitation, suspension, or termination of the eligibility of a HEAL school.

(a) The Secretary may limit, suspend, or terminate the eligibility under the HEAL program of an otherwise eligible school that violates or fails to comply with any provision of title VII, part A, subpart I of the Act as amended (42 U.S.C. 292–292p), these regulations, or agreements with the Secretary concerning the HEAL program. Prior to terminating a school's participation in the program, the Secretary will provide the school an opportunity for a hearing in accordance with the procedures under paragraph (b) of this section.

(b) The Secretary will provide any school subject to termination with a written notice, sent by certified mail, specifying his or her intention to terminate the school's participation in the program and stating that the school may request, within 30 days of the receipt of this notice, a formal hearing. If the school requests a hearing, it must, within 90 days of the receipt of the notice, submit material, factual issues in dispute to demonstrate that there is cause for a hearing. These issues must be both substantive and relevant. The hearing will be held in the Washington, DC metropolitan area. The Secretary will deny a hearing if:

(1) The request for a hearing is untimely (i.e., fails to meet the 30-day requirement);

(2) The school does not provide a statement of material, factual issues in

dispute within the 90-day required period; or

(3) The statement of factual issues in dispute is frivolous or inconsequential.

In the event that the Secretary denies a hearing, the Secretary will send a written denial, by certified mail, to the school setting forth the reasons for denial. If a hearing is denied, or if as a result of the hearing, termination is still determined to be necessary, the school will be terminated from participation in the program. A school will be permitted to reapply for participation in the program when it demonstrates, and the Secretary agrees, that it is in compliance with all HEAL requirements.

(c) This section does not apply to a determination that a HEAL school fails to meet the statutory definition of an "eligible school."

(d) This section does not apply to administrative action by the Department of Health and Human Services based on any alleged violation of The Family Educational Rights and Privacy Act of 1974 (section 438 of the General Education Provisions Act, as amended), as governed by 34 CFR part 99.

(Approved by the Office of Management and Budget under control number 0915–0144)

[48 FR 38988, Aug. 26, 1983, as amended at 52 FR 752, Jan. 8, 1987; 58 FR 67350, Dec. 21, 1993]

§ 60.61 Responsibilities of a HEAL school.

(a) A HEAL school is required to carry out the following activities for each HEAL applicant or borrower:

(1) Conduct and document an entrance interview with each student (individually or in groups) no later than prior to the loan recipient's first HEAL disbursement in each academic year that the loan recipient obtains a HEAL loan. The school must inform the loan recipient during the entrance interview of his or her rights and responsibilities under a HEAL loan, including the consequences for noncompliance with those responsibilities, and must gather personal information which would assist in locating the loan recipient should he or she depart from the school without receiving an exit interview. A school may meet this requirement through correspondence where the